



Memorandum

U.S. Department
of Transportation

National Highway
Traffic Safety
Administration

Date: MAY 28 1981

Reply to Attn of

Subject: NHTSA Cost Reduction Plan - FY 1981

From: Raymond A. Peck, Jr. 
National Highway Traffic Safety Administrator

To: J. Kenneth Klinge, Coordinator, CARE Committee

Attached is the NHTSA Cost Reduction Plan for the remainder of Fiscal Year 1981. I believe that the specific cost avoidance/reduction dollar goal set forth in the attachment is a meaningful amount, especially since 40% of our contract program was under obligation before we initiated our detailed cost reduction reviews. I plan to propose to the Secretary that some portion of these savings be devoted to the Department's expanded Seat Belt Usage Program. Exact proposals for such use of these projected savings are now being completed; not more than one half of the savings identified here would appear to be required for this purpose.

In addition to the dollar goal, the NHTSA program includes a number of specific steps aimed at incorporating the Secretary's policy goals in the day-to-day operations of the NHTSA, as follows:

- o To comply with the Secretary's direction regarding increased attention to GAO improvement recommendations, a checklist of current GAO activities in NHTSA has been developed as a point of reference for program evaluation. A new directive on GAO Relations, replacing the existing directive dating back to 1971, will be issued soon. We have also instituted a more active follow-up system regarding the status of all open items. These, in turn, will be built into the "CARE" report.
- o Similarly, regarding OIG reports, a summary of existing recommendations which have been open longer than 90 days has been created as a baseline. A new directive on OIG activities has also been developed. It provides for a more active follow-up system by our Office of Management Services.
- o In line with the CARE Committee focus on organizational layering:
 - Responsibility for management and automatic data processing systems have been consolidated in a single Management and Data Systems Division.
 - All technical reference and general services activities have been consolidated in a single Administrative Operations Division.



It's a law we

You orally requested that our plan include a proposal on frequency of reporting achievements. We plan to provide monthly summary reports on progress toward our goals. Special reports will also be provided whenever exceptional accomplishments occur.

Approved For Release 2006/10/17 : CIA-RDP87-01146R000200030010-7
 (dollars in thousands)

Cost Reduction Area	FY 1981 Original Budget Projection	Current Budget Projection	Previous Adjustments	Unobligated Balance 3/31	Cost Avoidance/ Reduction Goal
<u>Technical Contract Programs</u>					
Research & Analysis	\$39,969	\$39,535	\$-434 ¹	\$22,124	-\$3,340
Highway Safety Program	7,748	7,718	-30	5,574	- 1,336
General Administration	1,445	1,445	_____	1,420	_____ - 400
Sub-Total			-464		- 5,076
<u>Administrative Budget</u>					
Part-time/temporary positions	1,397	1,296	-101	741	150 ²
Overtime	225	225	... 0	125	27.3 ³
Travel	996	883	-113 ⁴	456	40 ³
Change of Station	125	125	...	91	60
Subscriptions	73	73	...	39	2.4
Publications and Graphics ⁵			_____		_____
Sub-Total			-214		-279.7
Grand Total			-\$678		-\$5,355.7

1 Congressional disallowance of pay supplemental

2 \$40,000 of these savings have been reallocated to contract classifiers; other uses will include defraying costs for unbudgeted terminal leave, severance pay, and unemployment compensation

3 A portion of these savings will be used for overtime and travel in support of the Seat Belt Usage Program

4 Includes \$11,000 Secretarial Reserve; NHTSA anticipates no need to draw on these funds

5 Under intensive review; plan amendment will be submitted on completion (i.e., on or about 6/5/81)

COST AVOIDANCE, REDUCTION, AND EFFICIENCY (SARE) REPORT

1. REPORTING OFFICE		2. SIGNATURE OF OFFICE HEAD		3. PROJECT OFFICER	
4. BRIEF DESCRIPTION OF PROJECT AND PURPOSE				5. CONTACT PHONE NO.	
6. <input type="checkbox"/> SAVINGS <input type="checkbox"/> AVOIDANCE <input type="checkbox"/> EFFICIENCY APPROPRIATION:				7. PROJECT COMPLETION DATE	
8. SUMMARY OF PROBLEM					
9. SUMMARY OF IMPROVEMENT ACTION TAKEN AND NATURE OF BENEFITS					
DOLLAR BENEFITS EXPECTED					
10. ESTIMATED AMOUNTS	(1) STAFF YEARS	(2) VALUE OF MATERIALS	(3) TOTAL DOLLAR VALUE OF COL 1 & 2	(4) NET AMOUNT Col. 3 MINUS COL 2	
A. FOR THIS FISCAL YEAR		\$	\$	\$	
B. FOR NEXT FISCAL YEAR		\$	\$	\$	
11. APPLICATION OF AMOUNTS SAVED OR AVOIDED <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p>A. Application of Funds (Current Year)</p> <p><input type="checkbox"/> Return to Treasury</p> <p><input type="checkbox"/> Reapplication to Other Activities (specify) _____</p> <p>B. Resultant Budget Action (Budget Year)</p> <p><input type="checkbox"/> Rescission</p> <p><input type="checkbox"/> Deferral</p> <p><input type="checkbox"/> OMB or Congressional Reprogramming</p> </div> <div style="width: 48%;"> <p>C. Budget Effects (FY following Budget Year)</p> <p><input type="checkbox"/> Reduction of Base Costs</p> <p><input type="checkbox"/> No effect</p> <p><input type="checkbox"/> Unknown</p> <p>Further explanation _____</p> </div> </div>					
12. SIGNATURE OF DEPARTMENT OFFICERS AND HEADS			13. RESULTS OF INSPECTOR GENERAL VERIFICATION Date Received _____ <input type="checkbox"/> Not Verified Amount Verified: \$ _____ Comments: _____		
14. COMMITTEE ACTIONS OR SAVINGS <input type="checkbox"/> Approve <input type="checkbox"/> Suggest for P.R. <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Disapproved Comments: _____			15. RECOMMENDATION FOR AWARD CONSIDERATION <input type="checkbox"/> No <input type="checkbox"/> Yes (specify award) _____ Comments: _____		